

VIA COMMISSION E-FILING

July 7, 2016

British Columbia Utilities Commission
6th Floor - 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Laurel Ross, Acting Commission Secretary

Dear Madam:

**Re: BC Hydro 2015 Rate Design Application (Project No. 3698781/G-156-15)
Zone II Ratepayers Group (ZonellRPG)
Review Process to establish a non-firm interruptible rate pilot**

Further to the Commission's June 20, 2016 letter (Exhibit A-33) requesting submissions on the review process for the Commercial Energy Consumers Association of British Columbia's (CEC) proposal to establish a non-firm interruptible rate pilot for medium and large general service customers (Exhibit C1-10), ZonellRPG has the following comments:

1. Whether or not CEC customers are eligible for a non-firm interruptible rate has yet not been determined. For example, there is no evidence of backup generation, ability to load shift for an extended period or incremental production. In fact, the consequences of interruption may be significant for those participating customers. For the non-firm interruptible rate to be available and of value to all customers, there must be a very real prospect and need for meaningful interruption. Increased consumption (revenue) is also a consideration for interruptible rates.
2. A non-firm interruptible rate to participating BC Hydro customers currently on firm service reduces bills and reduces the revenue to BC Hydro and will affect other non-

participating customers, in this case, most likely through the rate rider. This proposal has bill and other impacts which need to be fully explored and examined through consultation and stakeholder engagement in a similar manner as the Freshet Rate Pilot. We note that the Freshet Rate was linked to incremental consumption and surplus supply at a specific time.

3. Voluntary General Service rate options are out of scope for Module 1 and are included as part of Module 2. BC Hydro states in its Application (Exhibit B-1, pages 1-22) that:

"BC Hydro believes that before it pursues optional rates for General Service customers it is imperative that the issues with the default rates for MGS and LGS customers be addressed.....Accordingly, BC Hydro plans to address voluntary Residential and General Service options as part of 2015 RDA Module 2. In this way, Module 1 sets the foundation for future BC Hydro proposals concerning Residential and General Service customers rate options to offer such customers additional choice"

Under these circumstances, a streamlined process to implement a non-firm interruptible rate pilot appears to be premature and that this matter should be addressed as part of Module 2 of the Rate Design Application.

Yours truly,



Linda Dong
Representing Zone II Ratepayers Group